

**MINUTES**  
**BROWN COUNTY HOUSING AUTHORITY**  
**Monday, June 20, 2011**  
**City Hall**  
**100 N. Jefferson Street, Room 604**  
**Green Bay, WI 54301**  
**3:00 p.m.**

**MEMBERS PRESENT:** Michael Welch-Chair, Tom Diedrick, Rich Aicher, Darlene Hallet, Ann Hartman

**OTHERS PRESENT:** Robyn Hallet, Matt Schampers, Rob Strong, Dawn DeWitt, Chip Law, DonElla Payne, Matt Roberts, Michael Devillers.

**APPROVAL OF MINUTES:**

1. Approval of the May 16, 2011 minutes of the Brown County Housing Authority.

A motion was made by A. Hartman, seconded by T. Diedrick, to approve the minutes of the May 16, 2011, meeting of the Brown County Housing Authority. Motion carried.

**COMMUNICATIONS:**

2. Letter from Housing Authority Insurance Group regarding dividends.

R. Hallet indicated that the BCHA received dividends, totaling \$537.80. R. Aicher questioned if there was a difference between a special dividend and a regular dividend. R. Hallet stated she would follow up with Housing Authority Insurance Group for clarification on the types of dividends.

3. Email communication from HUD regarding HCV Administrative Fees for CY 2011.

R. Hallet stated that this item is in reference to agenda item 7; particularly in regards to HUD's recommendation that PHAs explore cost-saving measures.

M. Welch questioned if the key number was 92 percent pro-ration. C. Law indicated that's what the proration was; now it is reduced to approximately 80 percent. R. Aicher clarified that what was 92 will be 80. C. Law confirmed.

**REPORTS:**

4. Report on Housing Choice Voucher Rental Assistance Program
  - A. Preliminary Applications

D. Payne stated that for the month of May there were 209 preliminary applications.

- B. Housing Assistance Payments

D. Payne indicated that HAP expenses were at \$1,173,897.00 for May.

- C. Housing Assistance Unit Count

D. Payne stated that unit count for the month of May was at 3,022.

- D. Housing Quality Standard Inspection Compliance

M. Roberts indicated that the total inspections conducted in May were 382, of which 46.07 percent passed on first inspection; 24.87 percent passed on re-evaluation; and 29.06 percent failed.

E. Housing Choice Voucher Administrative Costs and HUD 52681B

C. Law stated that year-to-date, ICS is \$2,126.64 under-budget.

F. Portability Activity

D. Payne indicated that port-outs for the month of May were at 121, totaling \$105,580.00, and port-ins were at 16, for a total of \$4,951.00.

G. SEMAP Monitoring Report

D. Payne stated that SEMAP monitoring was at 103 percent for the year-to-date, which places the BCHA at a higher performer.

H. Report of the Housing Choice Voucher Family Self-Sufficiency Program.

D. Payne indicated that there were 115 clients for the month of May, 33 escrow accounts, and one graduate. There were no new contracts for May.

I. Report on the Housing Choice Voucher Home Ownership Option.

D. Payne stated that there were 88 homeowners, which is slightly lower than April due to some clients being removed from the program. These families' incomes increased, which made them more self-sufficient and ineligible for the program.

J. VASH Reports

D. Payne indicated that for May there were 10 participants and two new clients in June.

K. Report on Langan Investigations Criminal Background Screening and Fraud Investigations

D. Payne stated that there were 15 new investigations; two of which were closed and 15 active investigations. There were 134 applications processed, of which 131 were approved. There were 27 out of state records checks and three additional household member checks.

**OLD BUSINESS:**

5. Review and approval of revisions to Chapter 3 (Eligibility) of the Housing Choice Voucher Administrative Plan.

D. Payne stated that ICS made some changes to Chapter 3 last month and at the Commissioners request, wording was changed to indicate "agency" versus listing all of the shelter names. This eliminates the chance for an agency to be left out.

A motion was made by R. Aicher, seconded by D. Hallet, to approve the revisions to Chapter 3 (Eligibility) of the Housing Choice Voucher Administrative Plan. Motion carried.

6. Discussion and possible action regarding notice of foreclosure action against a Housing Choice Voucher Homeowner who also received a \$20,000 downpayment/closing cost loan from BCHA.

R. Hallet stated that this item is carried over from May's meeting. Further information regarding this issue has been provided to the Commissioners to address questions brought up in the May meeting.

R. Aicher stated that if the BCHA was looking at retaining some of the \$20,000, it would end up paying more out to the lending bank than receiving in.

A motion was made by D. Hallet, seconded by R. Aicher, to abstain from having any interest in this particular property and write it off of the BCHA account. Motion carried.

7. Discussion on Federal funding and plans to absorb the impacts of reduced funding.

C. Law stated that one of the components discussed at the last meeting involved an audit, of which there were no findings. C. Law distributed a chart illustrating the monthly breakdown of administrative expenses ICS incurs for the HCV program. The chart shows that salaries and benefits are the two biggest components, followed by rent and utilities. Investigative services with Langan are next. Administrative costs to administer the FSS Program is next, then postage, copier/office supplies/printing, IT services, property and liability insurance, and software support. There are also other operating expenses, which are listed at the bottom of the chart. C. Law stated that this breakdown is a further illustration of the numbers provided in the 52681B report, and are year-to-date. C. Law indicated that D. Payne has been working on some cost-saving measures.

D. Payne stated that with regard to the HUD funding cuts, one of the issues that ICS is dealing with is that several staff have resigned in order to go back to college and ICS has decided not to refill those positions. With a recent lean event ICS conducted, they have found some quick fixes to streamline processes, including a time limit for landlords to return leases and HAP Contracts and combining the termination and overpayment hearings. ICS has also stopped absorbing port-ins due to the lack of funding, per previous guidance from the BCHA.

D. Payne indicated that ICS will not be offering any more new vouchers. All applicants are told that the waiting list is approximately 12 months.

A. Hartman questioned if there is anything ICS can do to penalize landlords for not responding in a timely manner regarding the lease and Contract. D. Payne explained the process and that landlords do not receive Housing Assistance Payments until HAP Contracts are returned.

M. Welch pointed out that administrative expenses have been about \$115,000 per month. As the letter from HUD in agenda item 3 points out, there is a 12% reduction in the administrative fees, which amounts to \$13,600 per month. This is now coupled with the fact that we'll have to reduce the number of Vouchers given out. M. Welch inquired how ICS plans to handle this loss. M. Schampers and C. Law reiterated that the \$40,000 in reserves that was authorized at the last meeting would carry us to September, at which time ICS will present a more comprehensive analysis of cost saving measures they will take.

D. Payne mentioned one measure that they are exploring is the investigative costs. C. Law explained that most of the applicants that Langan & Associates denies are ones which ICS already questioned, but had them go thru Langan to get validation; it's not that these

cases have slipped past ICS, but rather that ICS had already red-flagged them because of some potential disqualifying factors that need to be investigated further.

R. Aicher asked how much we anticipate having to take from reserves during the next 15 months. M. Schampers responded that according to projections made by HUD Milwaukee, there would be slightly more than \$500,000 in reserves at the end of 2012, without counting fraud and non-fraud recoveries, which are projected to be another \$250,000-\$300,000. However one caveat is that these projections assume receiving set aside funding for both this year and next year. If we don't get these set asides, then we'd be looking at the reserves being down to about \$50,000, not counting the fraud and non-fraud recoveries. The set aside application was recently submitted and we don't expect to hear back for at least two months. So reserves could be anywhere from \$50,000 to \$800,000.

8. Discussion and possible action on investments.

M. Schampers distributed a handout and explained this was inquired about several months ago. He has looked primarily at CDs because of HUD requirements that investments be either FDIC insured or collateralized, which limits our options. He explained that he contacted various banks and put together the spreadsheet showing the interest rates for various lengths of CDs. Because the limit to be FDIC insured is \$250,000, we'd have to split our funding among various banks. He spoke to Nicolet Bank and learned that they offer an 80 basis point checking account, which would work for our unrestricted funds because they are not subject to HUD's requirements. This is better than any CD rate less than 12 months, plus it makes it fully liquid. For the restricted funds, we could look into CD options, however based on the conversation we just had, we are going to be spending our reserves over the next 12 months, so a CD is not the best option. Nicolet offers a money market that would work for our restricted funds called CDARS, through which Nicolet would open money market accounts at as many banks as necessary to allow us to have FDIC coverage; Nicolet would monitor those accounts which would relieve the Senior Accountant from having to do so. This CDARS program is worth 40 basis points and also gives us the liquidity we need. M. Schampers explained that by doing this would we not only get the liquidity, but we'd also earn approximately \$21,000 more than we did in the past year.

M. Schampers also pointed out that another advantage with Nicolet Bank is that Doug Daul, the VP of Cash Management, is the City of Green Bay's former Finance Director, so he is very knowledgeable about finances for public entities, which would be very helpful to us. M. Schampers recommendation is switching to Nicolet Bank, opening checking accounts, then looking at CDs once we have reserves to invest.

R. Aicher expressed concern over having more than \$250,000 in the checking account since anything more than that would be uninsured. We'd be putting \$1.5 million at risk so we could earn another \$3,000 to \$4,000 of interest, which he didn't feel was worthwhile.

M. Schampers expressed he didn't feel it was worth sacrificing liquidity in order to get a higher interest rate that a 9 month CD would offer, however we could do so with the unrestricted funds. If we are not looking to spend the unrestricted money soon, we could put that into a 12 month CD with 90 basis points and get the same results.

R. Aicher reiterated that his opinion is that the potential return is not worth the risk of having our money uninsured. As for the type and length of investments, he feels this could be at staff and management's discretion.

A motion was made by R. Aicher and seconded by T. Diedrick to have a resolution to keep all money in insured accounts, do a cash needs assessment, and for staff to allocate funds based on the rates and the need for cash. Motion carried.

M. Welch pointed out that we should review investments at least annually, perhaps more often as needed.

#### **NEW BUSINESS:**

9. Discussion and possible action regarding Tenant Protection Vouchers.

R. Hallet stated that staff is still looking at the pros and cons of taking the Tenant Protection Vouchers that are available to the BCHA. Staff still has some questions for HUD about this and wants to further analyze the benefits and disadvantages of taking these 150 additional Vouchers. HUD has not given us a deadline by which we need to decide.

M. Schampers explained that these Voucher essentially operate the same as other Vouchers and are available because of the project-basing of the former Port Plaza Towers residents in their new locations. R. Strong indicated we want further clarity from HUD on how taking these additional Vouchers will impact our funding and the timing of when they would be available to assist people in our community.

10. Approval to renew agreement with Catholic Charities for reimbursement of pre- and post-homeownership counseling for Housing Choice Voucher Homebuyers.

R. Hallet explained that last year BCHA signed an agreement with Catholic Charities to allow Catholic Charities to provide homeownership counseling to clients looking to purchase a home through the Housing Choice Voucher Homeownership program. Catholic Charities hasn't had any such clients yet, because more focus has been placed on foreclosure prevention rather than new home purchases, but they would like to renew the agreement so they are able to serve any such clients.

A motion was made by D. Hallet and seconded by A. Hartman to renew Catholic Charities' pre- and post-homeownership counseling agreement. Motion carried.

R. Aicher questioned what the home buying activity has been with NeighborWorks regarding the Housing Choice Voucher Homeownership Program. D. Payne responded that there have only been a couple of new homebuyers in the past year.

#### **INFORMATIONAL:**

11. 2011 Income Limits published by HUD.

R. Hallet explained that HUD published new income limits effective May 31<sup>st</sup>. She stated that the income limits have increased rather significantly in comparison to previous years' increases, which is beneficial for clients whose income may be boarder line. These are HUD required income limits.

#### **BILLS:**

R. Hallet explained that a print out of the bills was not provided but that there were only two bills. M. Welch stated they include travel reimbursement of \$249.27 for M. Schampers's travel for training and \$12,982.64 for salaries and fringe benefits.

A motion was made by T. Diedrick and seconded by D. Hallet to approve the bills as presented. Motion carried.

**FINANCIAL REPORT:**

The financial report was received and placed on file.

**STAFF REPORT:**

12. Invitation to ICS's Self Sufficiency Programs Graduation Ceremony.

D. Payne invited all Commissioners to the Self Sufficiency Programs Graduation Ceremony on July 8<sup>th</sup> at 1:00 PM.

R. Strong thanked the Commissioners who attended the grand opening of the Trail Creek and Woodland Park Apartments. He stated the buildings look very nice and one wouldn't know by looking at them that they are affordable housing. He stated that he and Mayor Schmitt met with their board, who was very complimentary of what the BCHA, the Redevelopment Authority and the City did for this project.

The meeting was adjourned at 4:36 PM.

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